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[redacted]
Copy 1 of 3

7 December 1971

MEMORANDUM FOR THE RECORD

SUBJECT: U-2R Funding

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1. At the suggestion of Mr. Duckett, [redacted] and I conferred with [redacted] of the NRO. Conversation lasted about an hour-and-a-half and roamed in many diverse directions without very much logical development of the problem or the solution. Because of the lack of direction I discussed the total conversation with [redacted] a few hours later and we concluded that the following was the thrust of [redacted]

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2. [redacted] initially stated that Dr. McLucas had talked to Col. Hartley and then had called [redacted] and Col. Hartley into his office to inform them that he was expecting a memorandum from Mr. Duckett indicating his plans for transfer of the Agency aircraft to the Air Force in order that they could be funded by the Air Force budget. There is no equivocation in this statement and [redacted] indicated that this was Dr. McLucas' understanding of the last Executive Committee desires.

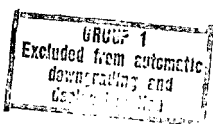
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3. I informed [redacted] that it was Mr. Duckett's definite understanding that, while it was agreed in ExCom that the Air Force would directly budget for the Air Force fleet, it was only a query from Mr. Packard to Mr. Helms and subsequently to Mr. Duckett that was leading us to inquire what the ramifications would be of Air Force funding of the Agency fleet and that there was no further action dictated on this subject. We planned to prepare a memorandum for Mr. Duckett to forward to the Director for Dr. McLucas, or the ExCom, which would delineate these ramifications.

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Page 2

4. It was apparent that [] was totally opposed to funding any part of the U-2 fleet from Air Force resources but, in view of the fact that ExCom had agreed to fund the Air Force fleet from Air Force resources and Dr. McLucas' explanation of the situation to Col. Hartley and [] it was impossible for him to take a very strong position on this matter. I explained that we believed that Air Force funding of the CIA fleet could be worked by a direct appropriation if the Air Force would agree to such a procedure,

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procured for a common account. [] explained that this would be impossible and that it would create an impossible work load for everyone concerned and, in addition, would be rampant with confusion.

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5. He suggested that any response be sure to include the difficulties that would ensue if there was any attrition on the CIA side and that to be protected from such an eventuality we would initially require at least six or seven aircraft in our inventory and that these numbers would vary only on the basis of mission assignment. He said that Dr. McLucas was expecting a response from Mr. Helms which would either start out "We are ready to transfer all CIA U-2R aircraft to the Air Force as of about...." or "We should keep an OSA fleet because.....".

6. It was my judgment, as well as [] that [] would prefer to maintain all U-2R funding within the NRO and that, in lieu of this, he would like to create as much difficulty as possible in any approach we might take.

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Page 3

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DD/SA/[Redacted] (7 Dec 71)

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